

Trustees' Annual Report and Financial Statements

South Wales Miners' Welfare Trust Fund Scheme

Registered Charity Number 507439

For the year ended 31 December 2023

South Wales Miners' Welfare Trust Fund Scheme

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**South Wales Miners' Welfare Trust Fund Scheme
Trustees' Annual Report
for the year ended 31 December 2023**

Reference and administrative information

Charity Registration Number: 507439

Principal (Registered) Office: NUM
Unit 2 Maritime Offices
Woodland Terrace
Maesycloed
Pontypridd
CF37 1DZ

Convalescent Home: Court Royal Convalescent Home
Southcliff Road
Bournemouth
Dorset
BH2 5BE

Trustees: Mr W Thomas
Mr T O'Sullivan OBE (deceased May 2023)
Mr K T Williams
Mr C Earland
Mr M R Parsons

Secretary: Mrs D Edwards

Auditors: R H Jeffs & Rowe
27/28 Gelliwastad Road
Pontypridd
CF37 2BW

Bankers: Unity Trust Bank PLC
Nine Brindley Place
Birmingham
B1 2HB

Investment Advisors: Sarasin & Partners LLP
Juxon House
100 St Pauls Churchyard
London
EC4M 8BU

South Wales Miners' Welfare Trust Fund Scheme
Trustees' Annual Report
for the year ended 31 December 2023

The Trustees present their report and audited financial statements for the year ended 31 December 2023.

Objectives and Activities

The Trustees of the Charity hold the Trust monies upon trust to pay and apply the income arising there from in accordance with the provisions of the Trust Deed for such charitable purposes within the objects of the Organisation in any county, any part of which is for the time being comprised of the South Wales coalfield.

The Trust Fund retains its consolidated status following the transfer into the Trust Fund of four other South Wales mining related Convalescent and Trust Funds on their subsisting Trusts, these being the Convalescent Home for the South Wales Mining Industry, David Davies Memorial Trusts, Hafod Miners' Welfare Women's Convalescent Home & Girls Camp and the South Wales & Monmouthshire Convalescent Home Endowment Fund Scheme. The objects of the largest of these charities, being the Convalescent Home charity, previously registered under registration number 206608, remain that of a convalescent home for beneficiaries of the South Wales Mining Industry, to include mineworkers, former mineworkers and their dependants, all of whom are eligible upon having worked a minimum of 5 years in the South Wales mining industry.

Governing Document

The unincorporated Charity is governed by a Declaration of Trust dated 20th March 1978, as amended by a Supplemental Trust Deed dated 4 November 2013, and registered as a Charity with the Charity Commission with the number 507439.

Recruitment and Appointment of Trustees

New Trustees of the Charity are selected by the Trustee board taking into account the skills and life experience of the effects of the mining industry and mining communities. Trustees are equally representative of employers and employees and all new appointments are endorsed by CISWO. Upon appointment, the Trustees serve in office indefinitely or until vacation of their particular employed office, or voluntary resignation.

Trustee Induction and Training

The Charity has a structured induction policy, whereby any new Trustees are invited and encouraged to attend a mini series of short training sessions to familiarise themselves with the Charity and the context within which it operates. These are jointly lead by a deputation of the Trustees and the Secretary of the Charity and cover :-

- The responsibilities of Charity Trustees.
- The governing documents which represent the cornerstone of the Charity and policy documents which set out the operational framework for the Charity.
- Resourcing and the current financial position as set out in the latest published accounts.
- Future plans and objectives.

A question & answer pack has also been prepared drawing information from the various Charity Commission publications signposted through the Commission's guide "the essential trustee" as a follow up to these sessions. This is distributed to all new Trustees along with the governing documents and the latest financial statements.

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Risk Management

The Trustees have examined the major strategic, business and operational risks which the Charity faces and confirms that systems have been established to enable regular reports to be produced so that necessary steps can be taken to lessen these risks.

Organisational Structure

The Charity has a Trustee body who meet quarterly and are responsible for the strategic direction and policy of the Charity.

The Convalescent Home Manager has responsibility for the day to day operational management of the Home, the supervision of the Home's general staff team and client care.

Achievements and Performance

The Consolidated charity's achievements and performance is best described under two headings, Coalfield Schemes of Benefit and Convalescence.

Coalfield Schemes of Benefit

The Trustees were pleased to offer capital support to Cwmdare Miners' Welfare Hall, enabling this well used community building to once again become water tight following defect issues with its roofing structure. The Trustees also provided contributory assistance to Bedlinog Miners' Welfare Association.

The Trustees provided financial support to a select number of OAP and CISWO social groups to enable them to pursue their social activities.

The Trustees have provided financial assistance in supporting an annual concert at Onllwyn Welfare where the renowned Tredegar Town Band performed, and once again made a contributory financial assistance towards the Welsh Open Brass Band Championship, operating under the auspices of the South Wales Miners' Eisteddfod.

The Trustees continued to grant aid the approved studies of eighteen students meeting the eligibility criterion, utilising available unrestricted funds from the Hafod Miners' Welfare Womens' Convalescent Home and Girls Camp fund.

Convalescence

The trustees curtailed their ongoing rolling refurbishment programme, in anticipation of greater refurbishment expenditure in 2024, although the Trustees invested in some new perimeter fencing and endorsed the refurbishment of the upstairs lounge towards the latter part of the year.

During 2023 the number of convalescent weeks taken was 1,968 out of a maximum possible number of convalescent weeks of 2,310, equating to an overall capacity utilisation factor of 85.2% (2022 - 86%). To a degree, the effects of the Covid pandemic softened demand during the early weeks of the year, and the Trustees shall review demand levels for subsequent periods.

The following page gives an itemisation of the intake numbers on a weekly basis, along with comparatives for the previous year;

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Week Commencing	TUES	2023	Week Commencing	TUES	2022
JANUARY	3	10	JANUARY	4	CLOSED
	10	28		11	CLOSED
	17	20		18	CLOSED
	24	20		25	13
	31	14			
FEBRUARY	7	25	FEBRUARY	1	21
	14	29		8	19
	21	34		15	35
	28	36		22	24
MARCH	7	39	MARCH	1	33
	14	39		8	35
	21	13		15	32
	28	19		22	36
				29	40
APRIL	4	45	APRIL	5	40
	11	45		12	40
	18	42		19	47
	25	42		26	43
MAY	2	46	MAY	3	47
	9	46		10	47
	16	46		17	44
	23	45		24	42
	30	40		31	43
JUNE	6	45	JUNE	7	42
	13	47		14	45
	20	45		21	39
	27	44		28	46
JULY	4	41	JULY	5	43
	11	45		12	47
	18	47		19	45
	25	45		26	42
AUGUST	1	45	AUGUST	2	45
	8	46		9	44
	15	43		16	44
	22	47		23	46
	29	45		30	47
SEPTEMBER	5	46	SEPTEMBER	6	41
	12	46		13	44
	19	45		20	46
	26	43		27	36
OCTOBER	3	43	OCTOBER	4	46
	10	44		11	44
	17	44		18	44
	24	43		25	39
	31	46			

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NOVEMBER	7	45	NOVEMBER	1	42
	14	47		8	46
	21	47		15	47
	28	45		22	46
				29	43
DECEMBER	5	46	DECEMBER	6	40
	12	30		13	CLOSED
	19	Closed		20	CLOSED
	26	Closed		27	CLOSED
TOTALS		1968	TOTALS		1860

The cost of accommodating an individual at the Home during 2023 was £511.29 (2022 - £482.52). The following table gives a breakdown of component costs:-

	<u>2023</u>	<u>Rate Per</u>	<u>2022</u>	<u>Rate Per</u>
	<u>Amount</u>	<u>Convalescent</u>	<u>Amount</u>	<u>Convalescent</u>
	<u>£</u>	<u>Week</u>	<u>£</u>	<u>Week</u>
1. Provisions	151,697	77	140,030	75
2. Salaries and Wages	428,059	218	366,971	197
3. Establishment Costs	153,227	78	100,273	54
4. Administration Expenses*	45,244	23	58,243	31
	<u>778,227</u>	<u>395</u>	<u>665,517</u>	<u>357</u>
5. Convalescents Travel	124,384	63	123,460	66
6. Entertainment	21,232	11	17,387	9
7. Depreciation	37,995	19	37,995	20
	<u>961,838</u>	<u>489</u>	<u>844,359</u>	<u>454</u>
<u>BUILDING FUND</u>				
8. Refurbishment, Repairs and Maintenance	44,373	22	53,128	29
	<u>1,006,211</u>	<u>511</u>	<u>897,487</u>	<u>483</u>

* Adjusted for AGM Costs

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Financial Review

Incoming resources in the period amounted to £897,889 (2022 - £598,554) with all identified income streams identified on page 19 of the financial statements.

Total resources expended in the period amounted to £1,108,795 (2022 - £1,015,917), and which are best considered under the same two headings of Coalfield Schemes of Benefit and Convalescence.

Coalfield Schemes of Benefit

Grant assistance provided to Miners' Welfare Schemes amounted to £26,500 (2022 - £28,395). Other Grants and Donations during the year totalled £29,782, enabling social, cultural and educational activities.

Administration, Governance and Support costs amounted to £41,801 with the majority of these costs relating to Fund Manager's fees in administering five portfolios with a combined market valuation of £4.6 million at year end.

Convalescence

Total resources expended in the period amounted to £1,010,712 (2022 - £907,797), representing the first year on record where costs topped £1m. The cost per week therefore of operating the Convalescent Home during 2023 was £19,437, an increase of 11.3% in comparison to the previous year (£17,458).

Statement of Net Investment Gains/(Losses)

The consolidated Charity recorded net investment gains of £255,234 which when combined with the operational deficit of £210,905, resulted in an overall up turn in asset value of £44,327, increasing the Trust Fund's asset value from £8,187,682 to £8,232,009.

All investments are administered by Messrs Sarasin LLP through their Alpha Fund, which generated a total return for the year of 8.8% against a benchmark of 11.7%. In terms of a rolling three year performance, the Alpha Fund returned 19.4% against a benchmark return of 25.8%. The Trustees will assess their future direction at the latter part of 2024.

Statement of Investment Principles

The Funds' discretionary management agreement with Sarasin & Partners LLP provides for obtaining "reasonable long-term overall return at modest risk within specific restrictions on investment".

1.1 Investment Principles

- 1) The Trustees have appointed an investment manager, Sarasin & Partners LLP, to manage the assets of the Funds in accordance with the principles set out in this Statement and within the guidelines set down from time to time by the Trustees.
- 2) The Trustees will monitor the performance of the investment manager against stated Performance Objective. Performance reports and valuations will be obtained quarterly. Attendance by the manager at client meetings is by client request.
- 3) The Trustees do not impose any restrictions whether in respect of ethical, social or environmental matters, or voting policy, or otherwise, with the exception of the points listed in the "Current Investment Arrangements" below, believing that this course is in the best interests of the objectives of the Funds.

South Wales Miners' Welfare Trust Fund Scheme
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1.2 Investment Objectives

4) The primary objective of the Trustees is to ensure that the Funds are invested so as to provide as high an annual income as possible within the parameters of agreed asset allocation. Income targets may be set by the Trustees from time to time. The current income target of the Fund (after managements fees deducted at source from the 3 main funds) is £130,000.

5) All Funds are to be managed on a discretionary basis.

6) The object of the Funds is to support charitable causes.

7) The assets will be invested in diverse portfolios of investments, consistent with a medium risk profile.

8) A further objective (the Performance Objective) of the Trustees is for the manager to achieve, over rolling three-year periods, a total return on investments which is above average when compared to the specific benchmarks of the Fund.

1.3 Current Investment Arrangements

9) Sarasin & Partners LLP have been appointed the discretionary investment manager of the Fund. The Investments are held in the name of a nominee vehicle.

10) The investment in the Funds are restricted to the following ranges: 90% Alpha Common Investment Fund for Endowments & 10% Alpha Common Investment Fund for Income and Reserves

Reserves Policy

The reserves of the charity at 31st December 2023 stood at £8,232,010. The Trustees regard demand for social welfare assistance to still be in the region of ten to fifteen years, and are therefore committed to a conscious draw down from reserves on a gradual basis with the intention of assisting mining beneficiaries during their remaining lifetime.

Plans for Future Periods

The Trustees are evaluating current spending policy and striving to reconcile longevity of demand.

Statement of Trustees' Responsibilities

The Charities Act requires the Trustees to ensure that financial statements are prepared for each financial year which give a true and fair view of the state of affairs of the Charity and of the financial activities of the Charity for that period. In the preparation of those financial statements the Trustees are required to ensure that:-

1. Suitable accounting policies are selected and applied consistently;
2. Judgements and estimates are reasonable and prudent;
3. Preparation of the financial statements is on the going concern basis unless it is inappropriate.

The Trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Charity. They are also responsible for safeguarding the assets of the Charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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Trustees' Annual Report
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The Trustees confirm that as far as they are aware, there is no relevant audit information of which the Charity's auditors are unaware. They have taken all the steps that ought to have been taken in order to make themselves aware of any relevant audit information and to establish that the Charity's auditors are aware of that information.

Approved by the Trustees and signed on their behalf on 26 September 2024 by:

Wayne Thomas
(Trustee)

Independent auditors' report to the members of South Wales Miners' Welfare Trust Fund Scheme Unincorporated Charity

Opinion

We have audited the financial statements of South Wales Miners' Welfare Trust Fund Scheme (the 'charity') for the year ended 31 December 2023 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 December 2023 and of its incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

**Independent auditors' report to the members of South Wales Miners' Welfare Trust Fund Scheme
Unincorporated Charity**

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

- the information given in the trustees' report is inconsistent in any material respect with the financial statements; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement (set out on pages 10-11) the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

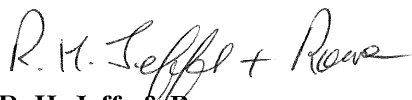
We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities is located on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.



R. H. Jeffs & Rowe

Chartered Accountants and Statutory Auditor

27/28 Gelliwastad Road

Pontypridd

CF37 2BW

26 September 2024

R. H. Jeffs & Rowe is eligible for appointment as auditor of the charity by virtue of its eligibility for appointment as auditor of a company under section 1212 of the Companies Act 2006.

South Wales Miners' Welfare Trust Fund Scheme
Statement of Financial Activities
for the year ended 31 December 2023

	Notes	Unrestricted & Endowment	Restricted	Total	Total
		£	£	2023 £	2022 £
Income & Endowments					
<i>Donations:</i>					
Grants & Donations	11	-	212,845	212,845	-
Investment Income		46,352	122,151	168,503	167,260
Convalescence Scheme Income		-	516,459	516,459	430,857
Employees Contributions		82	-	82	437
Total Income & Endowments	2	<u>46,434</u>	<u>851,455</u>	<u>897,889</u>	<u>598,554</u>
Expenditure					
<i>Costs of raising funds:</i>					
Investment management costs	3	8,879	23,217	32,096	33,562
<i>Expenditure on charitable activities:</i>					
Charitable activities	3	<u>48,042</u>	<u>1,028,657</u>	<u>1,076,699</u>	<u>982,355</u>
Total Expenditure		<u>56,921</u>	<u>1,051,874</u>	<u>1,108,795</u>	<u>1,015,917</u>
Net income/(expenditure)		<u>(10,487)</u>	<u>(200,419)</u>	<u>(210,906)</u>	<u>(417,363)</u>
Net gains/(losses) on investments	2	<u>71,698</u>	<u>183,536</u>	<u>255,234</u>	<u>(674,058)</u>
Net movement in funds before transfers		61,211	(16,883)	44,328	(1,091,421)
Transfers between funds		71,211	(71,211)	-	-
Fund Balances brought forward		1,210,822	6,976,859	8,187,681	9,279,102
Fund Balances carried forward		<u>1,343,244</u>	<u>6,888,765</u>	<u>8,232,009</u>	<u>8,187,681</u>

The Statement of Financial Activities includes all gains and losses in the year. All Income & endowments and Expenditure derive from continuing activities.

South Wales Miners' Welfare Trust Fund Scheme
Charity Number: 507439
Balance sheet
as at 31 December 2023

		2023		2022	
	Notes	£	£	£	£
Fixed Assets					
Tangible assets	7		1,255,862		1,293,857
Investments	8		6,849,976		6,837,052
			<u>8,105,838</u>		<u>8,130,909</u>
Current Assets					
Stocks		1,412		97	
Debtors	9	146,463		72,822	
Short-term Investment Deposits		1,961		2,028	
Cash at bank and in hand		56,239		52,065	
		<u>206,075</u>		<u>127,012</u>	
Creditors: amounts falling due within one year	10	<u>(79,904)</u>		<u>(70,240)</u>	
Net Current assets			<u>126,171</u>		<u>56,772</u>
Total Assets Less Current Liabilities			<u>8,232,009</u>		<u>8,187,681</u>
Funds					
Unrestricted Funds	13		1,286,847		1,154,425
Permanent Endowment Funds	13		56,397		56,397
Restricted Funds	13		6,888,765		6,976,859
			<u>8,232,009</u>		<u>8,187,681</u>

The notes on pages 16 - 27 form part of these accounts.

The financial statements were approved by the Trustee Board on 26 September 2024 and signed on its behalf by

Wayne Thomas
(Trustee)

South Wales Miners' Welfare Trust Fund Scheme
Cash flow statement
for the year ended 31 December 2023

	Notes	2023 £	2022 £
Reconciliation of operating loss to net cash outflow from operating activities			
Net Movement in funds		44,328	(1,091,421)
Depreciation	3	37,995	37,995
(Increase) in stocks		(1,315)	4
(Increase)/Decrease in Investments	8	(12,924)	(1,077,412)
(Increase)/Decrease in debtors	9	(73,641)	2,187,930
Increase/(Decrease) in creditors	10	9,664	(243,813)
Net cash outflow from operating activities		<u>4,107</u>	<u>(186,717)</u>
Increase/(Decrease) in cash in the year		<u>4,107</u>	<u>(186,717)</u>
Cash & Cash equivalents at start of the year		<u>54,093</u>	<u>240,810</u>
Cash & Cash equivalents at end of the year		<u>58,200</u>	<u>54,093</u>

South Wales Miners' Welfare Trust Fund Scheme
Notes to the Financial Statements
for the year ended 31 December 2023

1. Accounting Policies

1.1. (a) Basis of preparation and assessment of going concern

The accounts (financial statements) have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant note(s) to these accounts. The financial statements have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the United Kingdom (FRS 102) issued October 2019 and the Charities Act 2011.

The Trust constitutes a public benefit entity as defined by FRS 102.

The Trustees consider that there are no material uncertainties about the Trust's ability to continue as a going concern. With respect to the next reporting period, the most significant areas of uncertainty that affect the carrying value of assets held by the Trust are the level of investment return and the performance of investment markets (see the investment policy and performance and risk management sections of the Trustees' annual report for more information).

(b) Funds structure

The Charity has a single permanent endowment

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by the donor or trust deed.

Unrestricted income funds comprise those funds which the Trustees are free to use for any purpose in furtherance of the charitable objects. Unrestricted funds include designated funds where the Trustees, at their discretion, have created a fund for a specific purpose.

Further details of each fund are disclosed in note 13.

(c) Income recognition

All income is recognised once the Charity has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably

Donations, are recognised when the Trust has been notified in writing of both the amount and settlement date. In the event that a donation is subject to conditions that require a level of performance before the Charity is entitled to the funds, the income is deferred and not recognised until either those conditions are fully met, or the fulfilment of those conditions is wholly within the control of the Charity and it is probable that those conditions will be fulfilled in the reporting period.

Legacy gifts are recognised on a case by case basis following the granting of probate when the administrator/executor for the estate has communicated in writing both the amount and settlement date. In the event that the gift is in the form of an asset other than cash or a financial asset traded on a recognised stock exchange, recognition is subject to the value of the gift being reliably measurable with a degree of reasonable accuracy and the title to the asset having been transferred to the Charity.

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the Charity; this is normally upon notification of the interest paid or payable by the bank. Dividends are recognised once the dividend has been declared and notification has been received of the dividend due. This is normally upon notification by our investment advisor of the dividend yield of the investment portfolio.

South Wales Miners' Welfare Trust Fund Scheme
Notes to the Financial Statements
for the year ended 31 December 2023

(d) Expenditure recognition

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the Charity to that expenditure, it is probable that settlement will be required and the amount of the obligation can be measured reliably

All expenditure is accounted for on an accruals basis. All expenses including support costs and governance costs are allocated or apportioned to the applicable expenditure headings. For more information on this attribution refer to note (g) below.

Grants payable are payments made to third parties in the furtherance of the charitable objects of the Trust. In the case of an unconditional grant offer this is accrued once the recipient has been notified of the grant award. The notification gives the recipient a reasonable expectation that they will receive the one-year or multi-year grant. Grants awards that are subject to the recipient fulfilling performance conditions are only accrued when the recipient has been notified of the grant and any remaining unfulfilled condition attaching to that grant is outside of the control of the Trust.

Provisions for grants are made when the intention to make a grant has been communicated to the recipient but there is uncertainty as to the timing of the grant or the amount of grant payable.

The provision for a multi-year grant is recognised at its present value where settlement is due over more than one year from the date of the award, there are no unfulfilled performance conditions under the control of the Trust that would permit the Trust to avoid making the future payment(s), settlement is probable and the effect of discounting is material. The discount rate used is the average rate of investment yield in the year in which the grant award is made. This discount rate is regarded by the Trustees as providing the most current available estimate of the opportunity cost of money reflecting the time value of money to the Trust.

(e) Allocation of support and governance costs

Support costs have been allocated between governance costs and other support costs. Governance costs comprise all costs involving the public accountability of the Charity and its compliance with regulation and good practice. These costs include costs related to statutory audit and legal fees together with an apportionment of overhead and support costs.

Governance costs and support costs relating to charitable activities have been apportioned based on the number of individual grant awards made in recognition that the administrative costs of awarding, monitoring and assessing research grants, salary support grants and postgraduate scholarships are broadly equivalent. The allocation of support and governance costs is analysed in note 6.

(f) Costs of raising funds

The costs of generating funds consist of investment management costs.

(g) Charitable activities

Costs of charitable activities include grants made, governance costs and an apportionment of support costs as shown in note 4.

(h) Tangible fixed assets and depreciation

Depreciation is provided on a reducing balance basis to write off the cost of fixed assets over their useful economic life at the following rates:-

Land - 0% per annum

Building & Improvements - 2% straight line basis

Equipment, Furniture & Fittings - Charged to Revenue as incurred on a renewals basis.

South Wales Miners' Welfare Trust Fund Scheme
Notes to the Financial Statements
for the year ended 31 December 2023

Impairment

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date. When it is not possible to estimate the recoverable amount of an individual asset, an estimate is made of the recoverable amount of the cash-generating unit to which the asset belongs. The cash-generating unit is the smallest identifiable group of assets that includes the asset and generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets.

(i) Fixed asset investments

Investments are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date using the closing quoted market price. The statement of financial activities includes the net gains and losses arising on revaluation and disposals throughout the year.

The Trust does not acquire put options, derivatives or other complex financial instruments.

The main form of financial risk faced by the Charity is that of volatility in equity markets and investment markets due to wider economic conditions, the attitude of investors to investment risk, and changes in sentiment concerning equities and within particular sectors or sub sectors

(j) Realised gains and losses

All gains and losses are taken to the Statement of Financial Activities as they arise. Realised gains and losses on investments are calculated as the difference between sales proceeds and their opening carrying value or their purchase value if acquired subsequent to the first day of the financial year. Unrealised gains and losses are calculated as the difference between the fair value at the year end and their carrying value. Realised and unrealised investment gains and losses are combined in the Statement of Financial Activities.

(k) Pensions

The Convalescent Home for the South Wales Mining Industry operates one Defined Contributions pension scheme administered by Friends Provident. Contributions to the scheme are charged to the SOFA in respect of the period to which the contributions relate.

(l) Contingent liabilities

A contingent liability is identified and disclosed for those grants resulting from:

- a possible obligation which will only be confirmed by the occurrence of one or more uncertain future events not wholly within the Trustees' control; or
- a present obligation following a grant offer where settlement is either not considered probable; or
- the amount has not been communicated in the grant offer and that amount cannot be estimated reliably.

(m) Stock

Stock consists of purchased goods for future consumption. Stock is valued at the lower of cost and net realisable value.

(n) Income tax refunds

90% of Income Tax refunded from covenanted contributions are passed over to the Convalescent Home for the South Wales Mining Industry. Such liabilities are included in the financial statements on the assumption that the refunds will continue to be paid over.

South Wales Miners' Welfare Trust Fund Scheme
Notes to the Financial Statements
for the year ended 31 December 2023

(o) Restricted Funds

The Trustees of four mining related Trusts, these being Hafod Miners' Welfare Womens Convalescent Home and Girls Camp, David Davies Memorial Trusts, South Wales & Monmouthshire Convalescent Home Endowment Fund Scheme and Convalescent Home for the South Wales Mining Industry, resolved on 4 November 2013 to transfer their residual assets as at 31 December 2013 to the Area Trust Fund on their respective subsisting Trusts.

The motivation for transfer was to generate synergistic benefits in the administration of an amalgamated Charity where the governance rested in the same group of individual Trustees.

The four mining related Trusts have since been removed from the Register of Charities on the basis that the funds have been transferred.

South Wales Miners' Welfare Trust Fund Scheme
Notes to the Financial Statements
for the year ended 31 December 2023

2. Income & Endowments

	Unrestricted Funds £	Hafod MW CH & GC £	David Davies £	South Wales & Monmouthshire £	Court Royal £	Total 2023 £	Total 2022 £
Grants & Donations	-	-	-	-	212,845	212,845	-
Investment income	46,352	12,559	6,708	100,651	2,233	168,503	167,260
Convalescence Scheme income	-	-	-	-	516,459	516,459	430,857
Employees Contributions	82	-	-	-	-	82	437
	<u>46,434</u>	<u>12,559</u>	<u>6,708</u>	<u>100,651</u>	<u>731,537</u>	<u>897,889</u>	<u>598,554</u>
Net Investment Gains/(Losses)	<u>71,698</u>	<u>19,261</u>	<u>10,246</u>	<u>149,653</u>	<u>4,376</u>	<u>255,234</u>	<u>(674,058)</u>

South Wales Miners' Welfare Trust Fund Scheme
Notes to the Financial Statements
for the year ended 31 December 2023

3. Total resources expended	Note	Unrestricted Funds		Hafod MWW		David Davies		South Wales & Monmouthshire		Court Royal		Total 2023		Total 2022	
		£		£		£		£		£		£		£	
Cost of Raising Funds		8,879	2,410	1,285	19,221	301	32,096	33,562							
Investment Management Costs		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Expenditure on Charitable Activities															
Catering & Provisions	5	-	-	-	-	151,697	151,697	140,030							
Wages & Salaries		-	-	-	-	428,059	428,059	366,971							
Establishment Costs		4,879	-	-	-	153,227	158,106	100,273							
Administration Expenses		3,081	72	82	92	42,168	45,495	60,410							
Support Costs		-	-	-	-	-	-	38,132							
MWS and Community Projects		26,500	-	-	-	-	26,500	28,395							
Convalescents Travelling		-	-	-	-	124,385	124,385	123,460							
Refurbishment, Repairs & Maintenance		-	-	-	-	44,373	44,373	53,128							
Entertainment		-	-	-	-	21,232	21,232	17,387							
Depreciation	7	-	-	-	-	37,995	37,995	37,995							
Hardship Assistance		4,600	-	-	-	-	4,600	2,500							
Donations		5,682	18,000	-	-	-	23,682	7,860							
Cultural Events		1,500	-	-	-	-	1,500	-							
Governance Costs	4	1,800	-	-	-	7,275	9,075	5,814							
Total Expenditure		56,921	20,482	1,367	19,313	1,010,712	1,108,795	1,015,917							

South Wales Miners' Welfare Trust Fund Scheme
Notes to the Financial Statements
for the year ended 31 December 2023

4. Details of Expenses

Included within Governance and Support Costs	2023	2022
	£	£
Audit Fees	3,600	3,500
Trustees Expenses Claims	975	1,642
AGM Costs	4,500	4,172
	<u> </u>	<u> </u>

5. Staff Costs	2023	2022
	£	£
Staff costs during the year comprised of the following:		
Staff salaries (Including Social Security Costs)	407,571	359,338
Pension costs	20,488	7,633
	<u> </u>	<u> </u>
	<u>428,059</u>	<u>366,971</u>

The average number of employees during the year, calculated on the basis of full time equivalents, was as follows:

	2023	2022
	number	number
Managerial and Administration	2	2
Ancillary	15	14
	<u> </u>	<u> </u>
The average number of employees during the year amounted to:	<u>17</u>	<u>16</u>

There were no employees earning more than £60,000 per annum (2022 - none).

The Directors/Trustees did not receive any remuneration or benefits in connection with the performance of their duties, except expenses totalling £975 (2022 - £1,642).

6. Taxation

As a Charity, South Wales Miners' Welfare and Trust Fund Scheme is exempt from tax on income and gains falling within section 505 of the Taxes Act 1988 or s256 of the Taxation of the Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects. No tax charges have arisen in the Charity.

South Wales Miners' Welfare Trust Fund Scheme
Notes to the Financial Statements
for the year ended 31 December 2023

7. Tangible fixed assets

	Land and buildings freehold
	£
Cost	
At 1 January 2023	
At 31 December 2023	1,899,764
Depreciation	
At 1 January 2023	605,907
Charge for the year	37,995
At 31 December 2023	643,902
Net book values	
At 31 December 2023	1,255,862
At 31 December 2022	1,293,857

The freehold property, known as Court Royal Convalescent Home, was last revalued during 2015 by Messrs Goadsby, who valued the property at £990,000 on a current use basis. This is felt to be well below the true value of the property if it was to be sold and, in accordance with FRS102, the previous valuation continues to be used.

The Building was initially valued in 1993 when the estimated market value of the Property was £600,000 at which time the Net Book Value was £4,602. As a result of subsequent revaluations the Revaluation Surplus as at 1 January 2009, before depreciation, was the difference of £1,445,398.

The original permanent endowment was in the form of a grant of £20,000 in 1923, which was allocated by the Central Committee of the Miners' Welfare Fund which had been established under Section 20 of the Mining Industry Act 1920. These funds were used to acquire the Talygarn Mansion House, the original Convalescent Home. Subsequent events resulted in the disposal of Talygarn, and the purchase of Court Royal.

Due to the amalgamation of all South Wales mining related charitable funds, the Trustees agreed, by Deed, that as at 31 December 2013, all property of the Charity, ie the Court Royal Convalescent Home, be transferred to special trusts for future administration and management by the trustees of the South Wales Miners' Welfare Trust Fund, whilst the Trustees remain one and the same. The property registered at Land Registry under title number DT372460, and vested in the Official Custodian for Charities shall now be managed by the Trustees in their capacity as trustees of the South Wales Miners' Welfare Trust Fund, representing a transfer falling within section 117(3)(c)(ii) of the Charities Act 2011.

South Wales Miners' Welfare Trust Fund Scheme
Notes to the Financial Statements
for the year ended 31 December 2023

8. Investments	2023	2022
	£	£
Restricted Funds:		
David Davies Memorial Trusts - Investment Portfolio	192,393	176,817
South Wales & Monmouthshire Convalescent Home Endowment Fund - Investment Portfolio	2,738,600	2,717,479
Court Royal Convalescent Home for the South Wales Mining Industry - Investment Portfolio	41,358	136,941
Total Restricted Funds	<u>2,972,351</u>	<u>3,031,237</u>
Unrestricted Funds:		
Area Trust Fund - Investment Portfolio	1,317,402	1,265,036
Hafod Miners' Welfare Womens' Convalescent Home & Girls Camp - Investment Portfolio	219,797	207,866
The Atlantic Hotel Tenby*	2,202,019	2,202,019
Total Restricted Funds	<u>3,739,218</u>	<u>3,674,921</u>
Endowment Funds:		
Hafod Miners' Welfare Womens' Convalescent Home & Girls Camp (Endowment) - Investment Portfolio	138,407	130,894
Total Endowment Funds	<u>138,407</u>	<u>130,894</u>
Total Investments	<u>6,849,976</u>	<u>6,837,052</u>

Investment portfolios are managed by Sarasin & Partners LLP. The investment in the Funds are restricted to the following ranges: 90% Alpha Common Investment Fund for Endowments & 10% Alpha Common Investment Fund for Income and Reserves.

*Atlantic Hotel, Tenby was purchased in March 2022 to provide income for the charity and contingency for the future. Profits from the hotel will be redirected to the charity.

South Wales Miners' Welfare Trust Fund Scheme
Notes to the Financial Statements
for the year ended 31 December 2023

9. Debtors	2023 £	2022 £
The Atlantic (South Beach) Tenby Limited	95,005	-
The Court Royal Convalescent Home Limited	14,621	40,049
Loan to Abertillery Miners' Institute	27,200	27,200
Prepayments	9,255	5,573
Other Debtors	382	-
	<u>146,463</u>	<u>72,822</u>

10. Creditors: amounts falling due within one year	2023 £	2022 £
Bank Overdraft	5,522	-
Other Creditors	70,882	66,740
Accruals	3,500	3,500
	<u>79,904</u>	<u>70,240</u>

11. Related party transactions

The Court Royal Convalescent Home Limited, company number 03533202, is supported by the Charity. The company and Charity share Trustees with the Charity which owns the building from which the company operates. A deed of covenant is in place whereby the company has agreed to make a donation to the Charity of all its taxable profits.

The Charity purchased the Atlantic Hotel, Tenby in March 2022 which is structured as The Atlantic (South Beach) Tenby Limited, company number 13737497, with Trustees Christopher Earland and Wayne Thomas being the two Directors of this company. Investment in the company is detailed in note 8 and 9 to the accounts. A deed of covenant is in place whereby the company has agreed to make a donation to the Charity of all its taxable profits.

During 2023 the Charity received covenanted donations from The Court Royal Convalescent Home Limited of £17,840 and from The Atlantic (South Beach) Tenby Limited of £195,005, a total of £212,845.

12. Analysis of Net Assets between Funds

	Unrestricted £	Restricted £	Total Funds £
Fixed Assets	3,780,744	4,325,094	8,105,838
Net Current Assets/(Liabilities)	(2,437,500)	2,563,671	126,171
Net assets at 31 December 2023	<u>1,343,244</u>	<u>6,888,765</u>	<u>8,232,009</u>

South Wales Miners' Welfare Trust Fund Scheme
Notes to the Financial Statements
for the year ended 31 December 2023

13. Movement in Funds

	At 01/01/23 £	Incoming Resources £	Outgoing Resources £	Investment Gains/(Losses) £	Transfers £	At 31/12/23 £
Restricted funds:						
Hafod Miners' Welfare Womens' Convalescent Home & Girls Camp	383,092	12,559	(20,482)	19,261	(33,082)	361,348
David Davies Memorial Trusts	(31,409)	6,708	(1,367)	10,246	211,286	195,464
S Wales & Monmouthshire Convalescent Home Endowment Fund Scheme	3,821,727	100,651	(19,313)	149,653	(1,262,848)	2,789,870
Court Royal Convalescent Home for the South Wales Mining Industry	2,803,449	731,537	(1,010,712)	4,376	1,013,433	3,542,083
Total Restricted Funds	6,976,859	851,455	(1,051,874)	183,536	(71,211)	6,888,765
Total Unrestricted Funds	1,154,425	46,434	(56,921)	71,698	71,211	1,286,847
Permanent Endowment Fund	56,397	-	-	-	-	56,397
Total Funds	8,187,681	897,889	(1,108,795)	255,234	-	8,232,009

Purposes of Restricted Funds

Hafod Miners' Welfare Womens' Convalescent Home & Girls Camp

The funds are restricted to such purposes connected with the social well being, recreation and living conditions of dependants of workers in or about coal mines in the districts of South Wales.

David Davies Memorial Trusts

The fund was set up with the intention of providing educational grants to qualified persons to enable them to pursue educational courses, whether whole or part time, or other approved studies which they could not afford to pursue without such grants.

South Wales Miners' Welfare Trust Fund Scheme
Notes to the Financial Statements
for the year ended 31 December 2023

S Wales & Monmouthshire Convalescent Home Endowment Fund Scheme

The fund was set up to provide grants to cover outgoings for the Court Royal Convalescent Home or towards the expenses of other social welfare activities for the benefit of the mining community in South Wales and Monmouthshire.

Court Royal Convalescent Home for the South Wales Mining Industry

The fund's objects and principal activities are that of a convalescent home for beneficiaries of the South Wales Mining Industry, to include mineworkers, former mineworkers and their dependants. The funds are restricted to enabling as many qualifying beneficiaries, with a minimum service requirement of 5 years, to benefit from the facility.

Permanent Endowment Fund

Historic fund relating to two former Miners' Welfare Scheme wind ups, and which was contained within the old style accounts for the Area Trust Fund before it took consolidated form.

